



Arizona Electric Power Cooperative, Inc.

P.O. Box 670 • Benson, Arizona 85602-0670 • Phone 520-586-3631

March 17, 2004

Western Area Power Administration
Desert Southwest Customer Service Region
Ms. Jean Gray
P.O. Box 6457
Phoenix, AZ 85005-6457

**RE: Request for flexibility to implement Parker Davis Firm Electric Service
Contracts early.**

Dear Ms. Gray,

*up
March 5*
Arizona Electric Power Cooperative, Inc. (AEPCO) agrees that the five entities should be allowed to implement their Parker Davis Project Firm Electric Service allocations before October 1, 2008, provided that early implementation does not have an impact on the other Parker Davis customers. Therefore, AEPCO agrees with the third suggestion, in your letter, for providing this service by issuing a contract for capacity at the Parker Davis rates with associated energy being purchased on the spot market and billed to the five entities.

Sincerely,

Walter Bray
Power Trading Manager

